S&MM
SALES & MARKETING MANAGEMENT
JULY 1, 1985
A BILL PUBLICATION
FIVE DOLLARS

SMO20615S-30525017 AVV- DEC99
SRI
CONGRESSIONAL INFO SVC
4520 E-W HWY STE 800
BETHESDA MD 20814

Xerox's sales force learns a new game

The copier giant's 4,000-plus salespeople all shift to selling the entire line in a multimillion-dollar shake-up. Page 48.

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S&MM's cover photo by George Platteter

VOL. 135, NO. 1 [Sales & Marketing Management ISSN 0163-7517], a Bill publication, is published monthly except in February, April, July, and October, when it is published twice a month. Second-class postage paid at New York, NY, and additional mailing offices. Postmaster send changes of address to: 633 Third Ave., New York, NY 10164-0563. Executive, editorial, and circulation offices: 633 Third Ave., New York, NY 10164-0563. SUBSCRIPTIONS: $36 a year, U.S. Canada ($50 U.S.). Foreign, $65.

Allow 4 to 6 weeks for first issue to arrive. Member of the Audit Bureau of Circulations, American Business Press, Business Publications Audit of Circulation, and Magazine Publishers Assn. © Copyright [Sales & Marketing Management magazine, a division of Bill Communications, Inc.], 1985. All rights reserved.

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The graining of America

You remember the late 1960s—natural foods, natural fibers, natural hairstyles, and, naturally, a lot of things we now find, in retrospect, kind of embarrassing. Almost 20 years later, what's become of it all? Well, the revolution lives, but now it lives at Wendy's and Burger King.

It seems the only real survivor of all of the radical ideas and ideals around during those years—the only thing that really took hold—was the concern with health foods and general nutrition. Everything else has become just a memory, but natural foods awareness in the U.S. has been irrevocably raised. And how do we measure whether or not something has finally become ingrained into the American consciousness? We do what everybody else does—we watch TV.

Perhaps you've seen them, commercials that open with a shot of a beautiful, young, fresh-faced model clad in skin-tight jeans, lounging suggestively against a stark, white backdrop. Calvin Klein? Bon Jour? Gitano, maybe? Nope. Wendy's. The burger meisters are going after the you-can-never-be-too-rich-or-too-thin crowd. But in addition to rich and thin, they've now added healthy.

Recent statistics show a marked increase in the amount of fresh vegetables Americans now consume. Back in 1962, per-capita consumption of lettuce was 18 lb. per year, cucumbers 2.6 lb., and broccoli 0.3 lb. Twenty years later, these numbers were up to 24 lb., 4.1 lb., and 2 lb. respectively. In roughly the same period, the number of fast-food restaurants in the U.S. increased by nearly 10 times, from 16,036 to 157,888. Since beef consumption—according to USDA figures—is down, it stands to reason that more eating establishments are waking up to the realities of what could be called "fitness food." Ronald P. Fay, president of Wendy's International, says that its introduction of the salad bar into the fast-food environment back in 1979 caused the competition to "recognize that a growing number of consumers were interested in light alternatives to the hamburger-only menus pervasive at most restaurants."

This is not to say that the venerable American symbol—the hamburger—is on its way out. On the contrary, in 1984 it accounted for a hefty 20% of all restaurant sales, a $21 billion slice of the patty, as it were. But there is a very definite shift underway toward a more health-oriented menu, and Wendy's recent introduction of multi-grain buns, pasta salads, and fresh fruit was quickly followed by a remarkably similar campaign by the people at Burger King. As far as increased competition is concerned, Fay prefers to think of it as a necessary evil. "Marketing strategies [have become] almost as important as the products," he says. But what about the purity of the burger image? Will it withstand this onslaught of negative publicity? Have people simply had enough of hamburgers?

Burger King's director of public relations, John Weir, puts it this way: "The problem," he says, "is not saturation, but maturation." Talk to any of the nation's burger barons and you'll get pretty much the same answer. They say that it's simply a question of following the market, reacting to changes, and giving the people what they want. What they want right now is something that fits in with the health and fitness craze that's sweeping America. And since most of the country's fitness addicts are in their 30s and 40s, fast-food is planning on being right there with them. After all, everyone knows that the single largest market segment—don't make me say the "Y" word—is now entering this age group, and the boys down at the front office at Wendy's, Burger King, McDonald's, and all the others know it.

The winds of change have already blown away the neon-festooned drive-in, with its roller skating waitresses and window trays. Now, Ronald McDonald has been deemed a bit too childish for burgers' target audience. As America grows up and becomes more affluent, today's models, too, shall pass. There is one consolation, however, amidst all of the hype, the trendy commercials, and the multi-grain buns. If you ever want to know what a real burger used to taste like, remember, there will always be a White Castle.

By Richard Kern,
Editorial Director, S&MM Surveys

As seen by the Survey

Stuffing your face: The top 10 countries in eating and drinking place sales

Metro	1984 Sales ($000)	Metro	1984 Sales ($000)
Los Angeles	$5,299,974	Los Angeles-Long Beach	$1,736,544
New York	4,445,185	Dallas	1,732,211
Chicago	3,240,000	Atlanta	1,582,662
Philadelphia	2,227,000	Houston	1,411,000
Detroit	2,000,000	Seattle	1,400,000
San Francisco	1,900,000	Miami	1,300,000
Boston	1,800,000	Minneapolis	1,200,000
Washington, D.C.	1,700,000	Cleveland	1,100,000
Pittsburgh	1,600,000	Phoenix	1,000,000
St. Louis	1,500,000	Denver	900,000

Source: *S&MM's 1985 Survey of Buying Power.*
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By THAYER C. TAYLOR

80% of Hancock agents cite PC for sales gains

Eighty percent of John Hancock Mutual Life Insurance sales agents who bought PCs through the insurance carrier's PASS (Personal Access Support System) program say the machines helped them to boost sales, says Rita Struzziery, consultant-marketing systems in the company's marketing operations department. The program, which began in mid-1983, is designed "to provide those who sell Hancock products with technology-based tools that will improve sales efficiency," Struzziery told a recent seminar on vertical markets sponsored by Future Computing, Dallas, a research firm that specializes in the PC industry. In response to a question from S&MM, Struzziery admitted that Hancock's insurance agents were not asked to elaborate how the PC helped to increase sales.

The program, which passes on to the agents the 24% discounts John Hancock got from IBM, is open to both district agents who sell Hancock policies exclusively and general agents who also sell policies for other carriers. Struzziery said that, among the 300 PC users, general agents outnumbered district agents two-to-one, although district agents account for two-thirds of the 7,000 sales reps who sell Hancock products. She also said there was no way of knowing if the general agents used the PCs to sell other carriers' policies.

Along with machines, PASS also provides a raft of home office- and third party-developed software, the cost of which is partly borne by Hancock. Among the packages: (1) Sales Illustrations for computing premiums and illustrating benefits; (2) Financial Planning for income and estate tax calculations; (3) word processing, including 30 formatted pre-approach letters; (4) spreadsheet/graphics for help in complex and repetitive computations, and (5) client profiles.

In addition, communications software enables the agents to use the PCs to access Hancock's teleprocessing system (HANTEL) for requesting proposals and illustrations not available on the diskettes provided to them, as well as access outside data bases (for which they pay their own subscription fees).

Necessary changes

Based upon its almost two years of experience, Hancock is making several changes in the program, including a name change to Personal Access Sales Support. Emphasis is being shifted to "software and the support needed to help agents make the best use of software," said Struzziery. A survey taken last December, she said, disclosed that, while users overwhelmingly approved of the PC, "many expressed concerns with ease of use for several software packages . . . and suggested that more is needed to simplify the operations of the equipment."

Accordingly, Hancock is working on an easy-to-use menu system, Struzziery said, "so that agents don't have to spend a lot of time learning DOS (disk-operating system) commands." Also underway: simplified backup procedures, enhanced training at field locations,

Managers' use of PC by company size

Application	Total	Small Less than 100 Employees	Medium 100-999 Employees	Large 1,000+ Employees
Financial analysis	79%	79%	79%	79%
Accounting	60	74	59	51
Word processing	59	70	55	52
Administrative record-keeping	58	64	59	53
Sales reporting, tracking, or forecasting	**45**	**47**	**50**	**42**
Communications	32	27	33	36
Graphics	31	17	19	47
Personal record keeping	25	29	28	21
Engineering/scientific analysis	21	18	19	23
Payroll/personnel	19	37	11	7
Instruction/education	11	8	11	14
Games[1]	9	7	12	8
Average number of applications	4.5	4.8	4.3	4.3

[1] Survey asked for in-office and in-home applications.
Source: *Fortune* magazine, "Managing The Purchase and Use of Personal Computers in Business."
[c]*Sales & Marketing Management.*

Sales applications on the PC are most popular among managers in medium-size companies, according to a survey by *Fortune* magazine. Based upon 645 responses, sales ranked fifth among 12 listed applications. A strong correlation between company size and PC presence was indicated. Just more than half, 57%, of small companies reported having a PC, but the ratio jumped to almost three-fourths of medium-size companies, 73%, and more than 9 of 10 large companies, 92%. Variety of software available, cited by 82%, and machine reliability, 81%, were reported as the most important factors influencing PC purchases. Next in order: Manufacturer's overall reputation, 78%; quality of vendor's service and support, 77%; ease of learning to use, 67%; price, 60%; compatibility with other computers in the company, 55%; dealer recommendation, 29%; and portability, 23%.

just a few of the SalesMate modules in a limited number of sales offices. The software is being used in conjunction with Data General's DG/One lap-top.

Apparently, Envoy has slashed prices to stimulate more interest in SalesMate. Participating in a seminar on sales and marketing software at Babson College, Wellesley, MA, industry marketing specialist Michelle Caggiano said current prices averaged $200 per salesperson per month. Last fall, president Kermit L. Stofer quoted a $400 per rep per month (S&MM, Oct. 8, 1984).

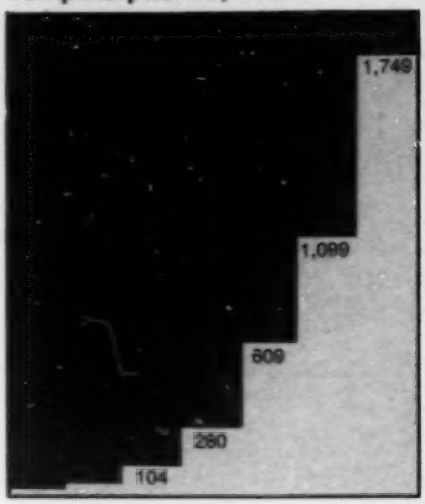
Corporations to marry computer, telephone

Merging of telephone and computer functions will occur among an overwhelming majority of corporations over the next three years, say the findings of a survey by The Conference Board, New York City. Seven out of ten of the 348 survey respondents said they'll make changes in their in-house telephone systems.

"Most often the change will entail upgrading the network into a system than can transmit both voice and data," said senior research associate Nathan Weber. "In effect, such a revision will transform each telephone into a computer component."

Spurring the planned changes, Weber said, are widespread dissatisfaction with the quality of telephone service in the wake of the 1984 AT&T divestiture—more than 80% complained of deteriorating service—and the availability of su-

Installed base of Computerphones, U.S.



Source: Forrester Research, *Professional Automation Report and Bulletin.*
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"BUSINESS MOVIES THAT MAKE BUSINESS BETTER"

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The survey should cheer vendors of personal workstations that combine telephone and computer because sales to date haven't matched rosy predictions. "Between 30,000 and 50,000 systems were shipped in the U.S.," says George F. Colony, president, Forrester Research, Cambridge, MA, "which was below the expectations of start-up vendors, venture capitalists, and distributors." Causes of slow sales: lack of user applications for computerphones, undeveloped distribution channels, and no clear intersection of voice and data technologies.

Colony, however, expects sales to take off after 1986 once these problems are solved. Also, he says, vendors will be driven to give more attention to computerphones because "they'll be unable to maintain margins selling generic PBX ports in the future."

Electronic mail: Promises and problems

Electronic mail (E-mail), touted as the solution to the telephone tag problem that bedevils salespeople, may be the sleeper appeal that computerizes sales forces because it enables salespeople to leave messages without the recipient being present.

Two research firms flash a green light for the communications system while a third one displays an amber one. The volume handled by computer-based message systems will skyrocket from less than $100 million in 1983 to more than $1 billion by 1988, according to Link Resources, New York City, an International Data Corp. subsidiary.

Corporations are expected to invest $1.9 billion in in-house computerized message systems between 1985 and 1995, predicts Business Communications, Stamford, CT. The research firm sees the number of electronic mail transactions on company in-house systems ballooning from 200 million in 1985 to 40 billion by 1995.

But two potential threats could blunt these rosy predictions, says Kenneth G. Bosomworth, president, International Resource Development, Norwalk, CT, researcher:

(1) Voice mail, which, he says, has two key edges over E-mail: "Keyboarding is not necessary, and the installed base—ordinary telephones—is ubiquitous."

(2) "Mailbox lag," a problem that arises when addressees—such as marketing support experts asked by salespeople for technical help—fail to check their mailboxes to see if messages are waiting. "If a message is not actually read," Bosom-

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